

Par.1. **Material Transmitted and Purpose** – Transmitted with this Manual Letter are changes to Service Chapter 430-05, SNAP. This manual letter also incorporates changes made with:

- IM 5263 – Fleeing Felon, Probation, Parole Violators
- Amended IM 5268 – Basic Employment Skills Training (BEST) Program
- IM 5269 – Application/Review denial for failure to provide information
- IM 5280 – ABAWD – Loss of Exempt Status

Par. 2. **Effective Date** – October 1, 2016

(Items that include a change in policy are indicated. All other items are corrections or clarifications.)

**This manual letter has been amended to correct number 17, Unearned income 430-05-50-20-10**

**Stipends/subsistence payments are excluded income unless the stipend/subsistence payments require work participation to receive the income and would be counted as earned income.**

**Also, this section was renumbered.**

This manual letter also includes the SNAP 2017 Cost of Living Adjustments (COLAS). **The sections affected are not included as part of this manual letter cover.** All SNAP cases will be unauthorized for the benefit month October 2016 to reflect these mass changes. Adequate notice must be provided. The mass changes include the following:

- The minimum benefit amount was unchanged.

- The Thrifty Food Plan was unchanged.
- Changes to the standard deduction. For a household size of:
  - 1-3 from \$155 to \$157
  - 4 remains \$168 (no change)
  - 5 remains \$197 (no change)
  - 6+ remains \$226 (no change)
- Increase in the 200% and 130% Gross Income Limits and 100% Net Income Limit.

| Household Size         | FFY 2016<br>100% (Net) | FFY 2017<br>100% (Net) | FFY<br>2016<br>130% | FFY<br>2017<br>130% | FFY<br>2016<br>200% | FFY<br>2017<br>200% |
|------------------------|------------------------|------------------------|---------------------|---------------------|---------------------|---------------------|
| 1                      | <del>\$981</del>       | \$990                  | <del>\$1,276</del>  | \$1,287             | <del>\$1,962</del>  | \$1,980             |
| 2                      | <del>\$1,328</del>     | \$1,335                | <del>\$1,726</del>  | \$1,736             | <del>\$2,656</del>  | \$2,670             |
| 3                      | <del>\$1,675</del>     | \$1,680                | <del>\$2,177</del>  | \$2,184             | <del>\$3,350</del>  | \$3,360             |
| 4                      | <del>\$2,021</del>     | \$2,025                | <del>\$2,628</del>  | \$2,633             | <del>\$4,042</del>  | \$4,050             |
| 5                      | <del>\$2,368</del>     | \$2,370                | <del>\$3,078</del>  | \$3,081             | <del>\$4,736</del>  | \$4,740             |
| 6                      | <del>\$2,715</del>     | \$2,715                | <del>\$3,529</del>  | \$3,530             | <del>\$5,430</del>  | \$5,430             |
| 7                      | <del>\$3,061</del>     | \$3,061                | <del>\$3,980</del>  | \$3,980             | <del>\$6,122</del>  | \$6,122             |
| 8                      | <del>\$3,408</del>     | \$3,408                | <del>\$4,430</del>  | \$4,430             | <del>\$6,816</del>  | \$6,816             |
| 9                      | <del>\$3,755</del>     | \$3,755                | <del>\$4,881</del>  | \$4,881             | <del>\$7,510</del>  | \$7,510             |
| each additional member |                        | \$347                  |                     | \$451               |                     | \$694               |

- Increase in the Gross Income Limits for Companion Households.

| Household Size         | FFY 2016<br>Maximum Income | FFY 2017<br>Maximum Income |
|------------------------|----------------------------|----------------------------|
| 1                      | <del>\$1619</del>          | \$1,634                    |
| 2                      | <del>\$2191</del>          | \$2,203                    |
| 3                      | <del>\$2763</del>          | \$2,772                    |
| 4                      | <del>\$3335</del>          | \$3,342                    |
| 5                      | <del>\$3907</del>          | \$3,911                    |
| 6                      | <del>\$4479</del>          | \$4,480                    |
| 7                      | <del>\$5051</del>          | \$5,051                    |
| 8                      | <del>\$5623</del>          | \$5,623                    |
| each additional member |                            | \$572                      |

- Increase in the maximum shelter deduction from \$504 to \$517
- Changes to the mandatory utility standards:
  - HLSU from \$611 to \$596
  - LUSA from \$226 to \$229
  - MU from \$191 to \$194
  - TL from \$35 to \$36

**General Information 430-05-05**

1. 430-05-05-45 – Retention of Records. Additional policy was added for retention of State office reporting, retention of IPV court case records, and eDRS retention policies. **This is a change in policy.**

**Retention of Records 430-05-05-45**

SNAP records and reports, including all certification records, must be available for audit and review for a period of three years from the month of origin of each record.

Certification records must include applications for assistance or subsequent reviews, including:

- All required forms.
- Worksheets used in the computation of income for eligibility and the basis of issuance.
- Documentation including verification techniques employed by eligibility determination personnel.
- Copies of forms sent to the issuance unit authorizing or changing participation or basis of issuance.
- Copies of notices of adverse action and other notices sent to the client.
- Documentation related to the fair hearing process.
- Fiscal adjustments including claims, refunds and credits for lost benefits.
- Any other data which affects a household's eligibility or basis of issuance.

The North Dakota Century Code was amended by the 1993 Legislature to provide for a record retention period consistent with federal retention requirements. Casefiles, including all documents pertinent to determining eligibility and benefit amount, must be retained for three years after a case is closed or denied. Subsequent reopening of cases does not alter the allowable destruction of materials for the prior period of eligibility once the three years have lapsed. The closed casefiles may, at county option, be destroyed. Verification materials such as alien status, SSNs, etc. required for the current open case must be retained.

**Example:**

A SNAP case is closed 12-31-1997. A household reapplies and is eligible in 01-1999. At county option on or after 01-01-2001 (three years has lapsed) the case materials for the period of eligibility ending 12-31-1997 may be destroyed.

If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the three year period, the records must be retained until completion of the action and resolution of all issues or until the end of the regular three year period, whichever is later.

The State SNAP Office shall retain fiscal records and accountable documents for three years from the date of fiscal or administrative closure. Fiscal records and accountable documents include, but are not limited to, claims and documentation of lost benefits.

- Fiscal closure means that obligations for or against the Federal government have been liquidated.
- Administrative closure means that the State agency has determined and documented that no further action to liquidate the obligation is appropriate.

The State SNAP office shall retain court case records relating to intentional Program violation disqualifications and related notices to the household shall be retained indefinitely until the State SNAP office obtains reliable

information that the client has died or until indicated via the disqualified recipient database system (eDRS) that all records associated with the client, including the disqualified recipient database record, may be permanently removed from eDRS because of the client's 80th birthday.

Disqualification records submitted to eDRS must be purged by the State SNAP office when the supporting documents are no longer accurate, relevant, or complete.

### **Definitions 430-05-10**

2. 430-05-10 – Definitions. The definition of homeless was added.

### **Definitions 430-05-10**

The following is a partial list of specialized words or phrases used throughout the SNAP Policy Manual. Each word or phrase is followed by an explanation.

#### **Homeless**

An individual who lacks a fixed, regular, and adequate nighttime residence; and includes individuals who;

- Share the housing of other persons due to loss of housing, economic hardship, or a similar reason; are living in motels, hotels, trailer parks or camping grounds due to the lack of alternative accommodations; are living in emergency or transitional shelters; are abandoned in hospitals or awaiting foster care placement;
- Have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodations for human beings (bus station, lobby) ;

- Live in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and
- Are migratory and live in any of the circumstances as described above

### **Authorized Representative 430-05-15**

3. 430-05-15-15 – Authorized Representative Restrictions. Policy clarification was added to this section.

### **Authorized Representative Restrictions 430-05-15-15**

The following restrictions apply to authorized representatives:

1. County employees involved in certification and/or issuance and retailers authorized to accept SNAP benefits may not act as authorized representatives without the written approval of the County Director or representative if it is determined that no one else is available as an authorized representative.
2. Individuals disqualified from the SNAP Program for an IPV, a drug felony, as a fleeing felon or parole/probation violators, for receiving duplicate benefits or for trading benefits must not act as authorized representatives during the period of disqualification unless the individual disqualified is the only adult member of the household and the worker determines that no one else is available to act on the household's behalf.
3. The worker must ensure that an authorized representative:
  - a. Was freely requested by the household.
  - b. Correctly represents the household's circumstance.
  - c. Is properly using the benefits.

4. Homeless meal providers may not act as an authorized representative for SNAP clients.

### **Application Processing 430-05-20**

4. 430-05-20-35 – Withdrawing Application. A household may voluntarily withdraw an application at any time prior to the determination of eligibility, however if the county has made a determination the appropriate notice of denial must be sent. This is a policy clarification.

### **Withdrawing Application 430-05-20-35**

A household may voluntarily withdraw an application at any time prior to the determination of eligibility. This request can be oral or written. The worker must document in the casefile the request for withdrawal and send notice F214 - Application/Review Withdrawn, to the household to confirm the withdrawal. The household must be advised of its right to reapply.

If the worker has made a determination of eligibility, the correct denial notice must be sent to the household even if the household requests the application withdrawn.

#### **EXAMPLE:**

During the interview the county discovers the household will have excess income to qualify for the SNAP program. The household requests their application withdrawn since they would not qualify. The worker must document the casefile and send notice F207-Excess Income to the household.

### **Mandatory Verification 430-05-20-60**

5. 430-05-20-60 – Social Security Numbers. Policy was added to this section for situations when an individual does not have a Social



Security number when expedited processing standards apply. This is policy clarification.

## **Social Security Numbers 430-05-20-60-10**

All households participating in or applying for participation in the program must furnish the SSN of each household member, or apply for one, before certification. If individuals have more than one number, all numbers are required. It must be explained to applicants who refuse or are unable to provide a SSN that the individual for whom a SSN is not obtained will be disqualified.

However, certification of an otherwise eligible household must not be delayed solely to validate any member's SSN, even if the 30-day processing period has not expired.

If verification of an already reported SSN is not completed at initial certification, it must be completed at the time of or prior to the household's next review. The SSN must be verified in one of the following ways:

1. A copy of each household member's Social Security Card.
2. Matching the reported SSN with information supplied by the SSA such as NDVerify, or NUMIDENT.
3. Proof of application for a SSN.
4. Accept verification of a SSN(s) already verified through TANF, Health Care Coverage or similar programs.

A SSN will be reverified only if the identity of the individual or the SSN becomes questionable.

## **Obtaining Social Security Numbers**

Individuals who do not have a SSN must be informed that a SSN may be obtained by completing Social Security Form SS-5 and submitting it to the Social Security District Office along with copies of documents used in establishing age, identity and citizenship.

Households must be informed that proof of application for SSN is required and must be requested from SSA. Form SSA-5028, Receipt for Application for a SSN, is normally used by SSA as evidence that an individual has applied for a SSN.

### **Obtaining SSNs for Newborns**

If the household is unable to provide proof of application for a SSN for a newborn, the household must provide the SSN or proof of application at the next review or within six months following the month the baby is born, whichever is later.

A completed Form SSA - 2853, Message From Social Security or documentation from the hospital is considered proof of application for a SSN for a newborn. This receipt form is given to the mother by the hospital verifying a SSN was requested for a newborn. In those instances where the hospital does not provide the Form SSA - 2853 or documentation, a collateral contact to the hospital is acceptable.

If the household is unable to provide a SSN or proof of application for a SSN at its next review or within six months following the baby's birth, the worker must determine if the good cause provisions are applicable.

If it is determined that good cause does not exist, the child is an ineligible household member and must be set to "DI". The following example describes the procedure to follow at initial application:

#### **Example:**

The application date is March 10 and the four-month-old child in the household does not have a SSN. The system will pass the SSN criteria for the child and the application can be authorized.

In the review month of November, the system checks the child's age which is now greater than six months old. There must be a SSN or SS-5 date or the case fails. The child's participation must be set to "DI" for the benefit month of December and benefits authorized for the remaining household members, if otherwise eligible.

### **Participation While Awaiting Social Security Number**

Once a SSN application has been filed, the member must be allowed to participate pending notification of that member's SSN.

### **Expedited Households**

Expedited households are the only households in which individuals are allowed to participate without a SSN or without proof of application for a SSN for one **full** month of benefits. (If an expedited household applies after the 1st but on or before the 15th, and the only postponed verification is SSN, TECS will only allow a one month review period. The worker will need to contact System Support and Development for assistance in certifying for two months so a full month's benefit can be issued.)

In all cases, expedited households must be asked to provide a SSN for each individual in the household.

### **Exception:**

**A newborn is allowed to participate without a SSN or proof of application of SSN for six months following the month the baby is born or by the next review, whichever is later.**

### **Examples:**

The following examples do not include newborns.

1. A five person expedited household applies May 1. Two of the five household members do not have a SSN or proof that they have

applied. All five individuals are entitled to participate for the full month of May (May 1 through May 31).

In this example, the household must be certified for the month of May only, and must reapply for June. If at the time of review the two individuals are unable to provide a SSN or proof of application for a SSN, they are ineligible household members (DI) when determining benefits for June or until the SSN is provided. June benefits would be for a three-person household.

2. A five person expedited household applies May 2 (any time after the first of the month). Two of the five household members do not have a SSN or proof that they have applied. All five individuals are entitled to participate for the partial month of May (May 2 through May 31), and the full month of June (June 1 through June 30).

In this example, the household must be certified for no more than the months of May and June and must reapply. If at the time of July review the two individuals are unable to provide a SSN or proof of application for a SSN, they are ineligible household members (DI) when determining benefits for July or until the SSN is provided. July benefits would be for a three-person household.

### **Failure to Comply**

If a household member has refused or failed without good cause to provide or apply for a SSN, that individual is ineligible to participate in the program. The disqualification applies to the individual for whom the SSN is not provided, not the entire household. The income and assets of the disqualified individual are counted as an ineligible household member. The correct participation code in TECS for these individuals is "DI".

### **Determining Good Cause**

In determining if good cause exists for either failure to apply for a SSN or failure to provide a SSN, information from the household member and SSA must be considered.

SSA makes provisions for mailing an application in lieu of applying in person. Good cause does not include delays due to illness, lack of transportation or temporary absences.

If the household member can show good cause why an application for a SSN was not completed in a timely manner, that individual must be allowed to participate for one month in addition to the month of application. Good cause for failure to apply for a SSN must be shown monthly in order for the household member to continue to participate.

### **Ending Disqualification**

The ineligible household member(s) may become eligible upon providing a SSN, which must be verified by the next review.

### **Use of Social Security Number**

Workers are authorized to use SSN(s) in the administration of SNAP. Whenever possible, SSN(s) must be used to prevent duplicate participation, to facilitate mass changes in Federal benefits, and to determine the accuracy and/or reliability of information given by households.

### **Reviews 430-05-35**

6. 430-05-35-40 – Mandatory Verification. The income policies have been updated to align with other economic assistance programs.  
**This is a change in policy.**

**Mandatory Verification 430-05-35-40**

The worker MUST verify the following information at **review**:

1. SSN - must be provided for all household members not previously provided.

**Exception - Newborn:**

**A newborn without a SSN must be included in the household. The household must provide the SSN or proof of application at the next review or within six months following the month the baby is born, whichever is later.**

2. Identity - Must be verified for a newly designated authorized representative if the authorized representative completes the interview.
3. Residency - Must be verified if household has moved.
4. Disability:
  - a. Permanent disability, not previously verified, must be verified for any household member.
  - b. If the disability is not obvious, the household must provide a statement from a physician, licensed or certified psychologist, certifying that the individual is disabled.
5. Income:
  - a. Changes in the source of income must be verified.
  - b. The unearned income for all household members must be verified.
  - c. Gross earned income must be verified for the following individuals:

- (1) Age 18 and older.
- (2) Age 16 and older if not attending school at least half time.

A full month's earned and unearned income from the base month or month of review if available must be verified and used. If a pay stub is missing, year to date totals can be used to calculate the income.

If **all** income for the month of review is verified, that income must be used for the first month of the new review period. If the household anticipates a change for the first month of the new review period, **that** change must be verified and used.

If all income for the month of review is not available and the household cannot reasonably anticipate the amount of income for the first month of the new review period, base month income must be verified and used.

~~For all cases where income (both e~~Earned and unearned) ~~is~~ income received either weekly or biweekly ~~(every two weeks), income must be converted for benefit determination.~~

### **EXCEPTIONS:**

#### **Income conversion does not apply to:**

- 1. Income paid monthly or twice a month.**
- 2. Irregular income such as on-call or income from day labor.**
- 3. Self-employment income.**
- 4. Child support income.**
- 5. Income the household will not receive on each of the weekly or biweekly pay dates.**

~~Biweekly is defined as receiving earnings every two weeks.~~

#### **Example:**

~~Individual receives a paycheck every other Monday.~~

To convert weekly earnings, total the weekly checks and divide by the number of checks (4 or 5) to arrive at the weekly average. The weekly average is then multiplied by 4.3.

To convert biweekly earnings, total the biweekly checks and divide by the number of checks (2 or 3) to arrive at the biweekly average. The biweekly average is then multiplied by 2.15.

If tips, commissions, bonuses or incentives are paid or reported weekly or biweekly and are included in the gross income on the weekly or biweekly paycheck or pay stub, they are converted.

If tips, commissions, bonuses or incentives are paid or reported weekly or biweekly and are included on the paycheck or pay stub, but not in the gross income and the paychecks are received weekly or biweekly, they must be added to the gross income and converted.

If tips, commissions, bonuses or incentive are not paid weekly or biweekly, they are not converted. The tips, commissions, bonuses or incentives must be counted separately as earned income.

#### **Exceptions:**

- ~~1. Income conversion does not apply to self employment income.~~**
- ~~2. Income will not be converted when it is known the household will not receive the income on each of the weekly or biweekly pay dates.~~**
- ~~3. Income conversion does not apply to child support income as this income is base month budgeted.~~**



~~If tips, commissions, bonuses or incentives are paid weekly or biweekly and are included in the gross income on the weekly or biweekly paycheck or pay stub, they are converted.~~

~~If tips, commissions, bonuses or incentive are paid or reported weekly or biweekly and are included on the paycheck or pay stub, but not in the gross income and the paychecks are received weekly or biweekly, they must be added to the gross income and converted.~~

~~If tips, commissions, bonuses or incentive are not paid or reported weekly or biweekly, they are not converted. The tips, commissions, bonuses or incentives must be counted separately as earned income.~~

**Examples:**

1. Cash tips received daily and reported monthly are not converted.
2. Tips paid in a separate check that is not paid weekly or biweekly are not converted.
3. Household files an application for review for June benefits on May 17th and no interview is required. The household reports they continue to be paid every week on Fridays and verifies all earnings received in April and May to the date of review. April earnings were received on the 1st, 8th, 15th, 22nd and 29th. The household received paychecks on May 6th and 13th and will receive additional paychecks on May 20th and 27th. The April 1st, 8th, 15th, 22nd, and 29th paychecks must be totaled, divided by five and then multiplied by 4.3. This amount must be used for June.  
  
If the household anticipates a change in May income, the change must be verified and May income used for June.
4. Household files an application for review for November benefits on October 17 and is interviewed on October 26th. At the

interview the household reports they continue to receive biweekly unemployment benefits and verifies checks received on October 3rd and October 17th. The household will receive a third check on October 31st. Unemployment benefits are expected to continue. The October 3rd and October 17th checks must be totaled and divided by two. This amount must then be multiplied by 2.15 and used to determine eligibility and level of benefits for the month of November.

5. Household files an application for review for February benefits on January 15 and is interviewed on January 17. At the interview the household reports they are paid weekly, however, they only received three of four weekly paychecks in December due to the weather. The household does not know if they will receive all of the weekly earnings in February. Since it is not known whether the household will receive weekly earnings in February, the income must be converted. The three checks from December must be divided by three and then multiplied by 4.3.

**Documentation must explain how the worker arrived at the amount of income used.**

In all examples that follow, pay dates are the 5th and 20th of each month.

| Calculation:   | Example: Documentation must support the use of these amounts.  |
|--|--|
| March 20 \$400.00<br>April 5 <u>\$425.00</u><br>\$825.00 | a) <b>Current income.</b><br>Household submitted an application for review on April 5 and provides March 5 check - \$250.00 gross income, March 20 check - \$400.00 gross income, and April 5 check - \$425.00 gross income. The household indicates that March 5 check is short hours due to inclement weather. |

|          |   |   |
|----------|---|---|
|          |   |   |
|          |   | Household anticipates May income to be the same as March 20 and April 5 checks. These two checks – totaling \$825.00 gross income are used to determine May benefits.   |
| April 5  | \$350.00<br><u>      X2      </u><br>\$700.00 | <p>b) <b>Decreased income.</b></p> <p>Household submitted an application for review on April 5 and provides March 5 check - \$500.00 gross income, March 20 check - \$500.00 gross income, and April 5 check - \$350.00 gross income. April 5 check indicates a decrease in hours. The household indicates the decrease in hours is ongoing due to employer cutting back all employee's hours. Take April 5 check times two to anticipate May gross income of \$700.00. The April 5 check verifies the decrease in hours unless the worker, using prudent judgment, believes it is necessary to obtain additional verification.</p> |
| March 5  | \$300.00                                      | <p>c) <b>No change – Base Month.</b></p> <p>Household submitted an application for review on April 5 and provides March 5 check - \$300.00 gross income, March 20 check - \$450.00 gross income, and April 5 check - \$190.00. The household indicates March income is what they anticipate for the month of May. March income totaling \$750.00 gross income is used to determine May benefits.</p>  |
| March 20 | <u>\$450.00</u><br>\$750.00                   |   |
| April 5  | \$412.00                                      | d) <b>Increased income.</b>   |

|  |   |
|--|---|
| <div> <div>Divided By \$5.15</div> <div>80 Hour</div> <div>\$5.40</div> <div>x 80</div> <div>\$432.00</div> <div>\$432.00</div> <div>x2</div> <div>\$864.00</div> </div> | <p>Household submitted an application for review on April 5 and provides March 5 check - \$412.00 gross income, March 20 check - \$412.00 gross income, and April 5 check - \$412.00 gross income. The household reports and verifies a pay raise from \$5.15 per hour to \$5.40 per hour that will be reflected on April 20 paycheck. Household indicates no change in 40 hours per week. Take April hours from the April 5 check times the new pay rate times two to anticipate May gross income of \$864.00.</p> |
| <div> <div>April 5 \$510.00</div> <div>April 20 \$480.00</div> <div>\$990.00</div> </div>  | <p>e) <b>Late review – Current Income.</b></p> <p>Household submitted an application for review on April 27. The household provides March 5 check - \$490.00 gross income, March 20 check - \$490.00 gross income, April 5 check - \$510.00 gross income, and April 20 check - \$480.00 gross income. Household indicated that there would be no change in income for May. April gross income totaling \$990.00 is used to determine May benefits.</p>  |
|  | <p>f) <b>Late review– Pended.</b></p> <p>Household submitted an application for review on April 27 and provides March 5 check - \$200.00 gross income and March 20 check - \$600.00 gross income. All April income has been received by household prior to the date of the application for review. The review must be pended for verification of all April income. If not provided by May 27, the</p>   |

|  |  |
|--|--|
|  |  |
|  | application for review must be denied. |

6. Deductible Expenses - The worker must document the request for verifications. **If not provided the expense is not allowed.**

There is no requirement that expenses be paid, only incurred.

**Exception:**

**Child support must be paid.**

- Rent - Must be verified only if the amount has changed or the household has moved.
- Mortgage Payment (including a second mortgage) - Must be verified only if the amount has changed or household has moved.
- Mobile Home Lot Rent - Must be verified only if the amount has changed or household has moved.
- Condominium and Association Fees
- Property Taxes - (if not included in the mortgage payment). Must verify most current years incurred amount if not previously verified.
- Homeowners Insurance - (if not included in the mortgage payment). Must verify most current amount if not previously verified.
- Legally Obligated/Actual Child Support Paid – Court ordered amount, child support paid, including arrearages, health insurance premiums and vendor payments, must be verified.
- Dependent Care Deduction - Current adult or child care expenses must be verified.

- Incurred Medical Expenses for Elderly (60 years of age) or Disabled Individuals must be verified.
  - Utility Expenses – verification of current expenses must be provided when a household has moved.
7. Alien Status - Must be verified for any new household members.
8. Verification of Questionable Information
- a. Assets
  - b. Household Composition
  - c. Citizenship - for any new household members.
  - d. Any other household discrepancies

**Assets 430-05-45**

7. 430-05-45-55 - Disqualifying Transfer of Assets. The lookback period has been corrected when determining if a disqualifying transfer has occurred. **This is a change in policy.**

**Disqualifying Transfer of Assets 430-05-45-55**

At the time of application, households must provide information regarding all assets which all household members (including ineligible aliens or disqualified individuals) transferred within the three-month period immediately preceding the ~~month~~ date of application.

If a disqualified individual transferred assets for the purpose of qualifying or attempting to qualify for program benefits, the household is disqualified for up to one year from the date of discovery of the transfer.

This disqualification also applies if assets are transferred after the household has been determined eligible for benefits in order to prevent reaching the maximum asset limit.

For determining a disqualifying transfer, the burden of proof is the responsibility of the worker.

### **Permissible Transfers**

Transfers of the following do not affect eligibility:

1. Excluded assets.
2. Any non-excluded assets that, when added to other countable assets, totals less at the time of transfer than the allowable asset limit.
3. Assets that are sold or traded at, or near, fair market value.
4. Assets transferred between members of the same household (including ineligible aliens, disqualified individuals and ineligible students).
5. Assets that are transferred for reasons other than qualifying or attempting to qualify for program benefits.

#### **Example:**

**A parent placing funds into an educational trust fund.**

6. Assets of individuals who are categorically eligible or TANF I&R.

### **Action on Disqualifying Transfers**

When a household has transferred assets for the purpose of qualifying or attempting to qualify for program benefits, a notice of denial must be sent explaining the reason for and length of disqualification.

A household that is participating at the time of discovery of the transfer must be sent a notice of adverse action explaining the reason for and length of disqualification.

### **Length of Disqualification**

The period of disqualification begins with the month of application. For participating households, the disqualification period begins the first benefit month after notice of adverse action has expired, unless a fair hearing and continued benefits have been requested.

If a household member who owned and transferred the asset that caused the disqualification leaves the household, the disqualification ends. The remaining period of disqualification follows that individual if the individual becomes a member of another SNAP household.

Length of disqualification is as follows:

| <b><u>Amount in Excess of<br/>Asset Limit</u></b> | <b><u>Period of<br/>Disqualification</u></b> |
|---|--|
| \$ 0 thru 249.99                                  | 1 mo.  |
| 250 thru 999.99                                   | 3 mo.  |
| 1000 thru 2999.99                                 | 6 mo.  |
| 3000 thru 4999.99                                 | 9 mo.  |
| 5000 or more                                      | 12 mo.                                       |

### **Example:**

A two-person household with a disqualified individual who has \$1,750 in a bank account makes a disqualifying transfer of a vehicle with a fair market value of \$6,000. The first \$4,650 of the vehicle's value is



exempt. The amount of the vehicle counted toward the asset limit is \$1,350. The household's asset limit is \$2,250. The bank account is \$1,750 which allows ~~\$500~~ ~~\$250~~ of the \$1,350 of the fair market value of the vehicle to meet the \$2,250 asset limit. The \$1,100 excess is used to determine the disqualification period of ~~three~~ ~~six~~ months (\$6,000 less \$4,650 less ~~\$500~~ ~~\$250~~ = \$1,100 ~~\$850~~).

### **Work Requirements for Participation 430-05-40**

8. 430-05-40-10 – Exemptions from Work Requirements. Policy clarification was added to this section for VA Disability and unemployment compensation.

### **Exemptions from Work Requirements 430-05-40-10**

The following individuals are exempt from the work requirements (client statement is acceptable unless questionable):

1. Individuals age 60 or older. If an individual turns age 60 during the month of application, they are exempt.
2. Individuals younger than 16 years of age.  
If an individual reaches their 16th birthday and they are not exempt, they must register as part of the next scheduled review.
3. Individuals age 16 or 17 if:
  - a. Not the primary individual, or
  - b. Attending school, or
  - c. Enrolled in an employment or training program at least half-time.

4. An individual enrolled at least **half-time** in high school, in any recognized school, training program, or institution of higher education. Individuals working to obtain their GED are also exempt.

An individual remains **exempt** during normal periods of class attendance, vacation, and recess.

If an individual graduates, is suspended or expelled, drops out, or does not intend to register for the next normal term (excluding summer school), they are no longer considered a student and are not exempt.

### **Examples:**

1. An individual who graduates from high school in May and anticipates or is accepted for the fall semester in an institution of higher education is not considered a student until the first day of the school term and is not exempt from the work requirements.
2. An individual, who has not attended the prior school term but anticipates or is accepted for the next term, is not considered a student until the first day of the school term and is not exempt from the work requirements.
5. Individuals physically or mentally unable to work 30 hours or more per week. If the physical or mental incapacity is obvious and known to the worker, it should be documented in the case file and no further verification is needed.

If the physical or mental incapacity is not obvious or known to the worker, verification is required.

### **Examples:**

1. A physician's statement.

2. A statement from a licensed or certified psychologist or psychiatrist.
  3. Application for, receipt of, or entitlement to temporary or permanent disability benefits.
  4. Individuals who are appealing a SSA or SSI denial.
  5. Individuals who are accepted and actively involved in services through Vocational Rehabilitation as verified by Vocational Rehabilitation.
  6. Individuals who are receiving VA Disability regardless of the individual's disability percentage rating.
6. An individual subject to and complying with the TANF JOBS work compliance requirement, including the Tribal Work Experience Program (TWEP).

**Examples:**

1. A TANF ineligible caretaker who is not a parent is not subject to the TANF JOBS work compliance requirements so they are subject to the SNAP work requirements.
2. If a non-recipient parent is subject to and complying with JOBS, such as a parent who is disqualified due to IPV or non-compliance with Child Support Enforcement, they are exempt from the SNAP work requirements.
7. A parent or other household member responsible for the care of a dependent child under six or an incapacitated individual residing with the household. The dependent household member or incapacitated individual(s) **do not** need to be participating in the same SNAP household. Only one member may claim an exemption as the primary person responsible for the care of dependents when the responsibility is shared.

If the child's sixth birthday is reached within a review period, the individual responsible for the child's care must register as part of the next regular review process unless otherwise exempt.

The exemption for the primary care giver can be changed during the household's review period.

'Responsible for the care of a dependent child,' is defined as a parent or other household member responsible for providing the actual physical care for a child. This could include a household member that is living in the same home but not part of the SNAP household. The determination must be based on documented discussion with the household.

**Examples:**

1. Household consists of Mom and her two children ages 23 and 5. Mom states that her 23 year old child cares for her 5 year old while she is working. Based on this discussion, the 23 year old can claim the exemption. This discussion with the household must be documented.
2. Boyfriend, girlfriend and girlfriend's 3 year old child live in the same home but purchase and prepare meals separately. The boyfriend cares for the 3 year old while the girlfriend works. The boyfriend can claim the exemption. The discussion with the household must be documented.
3. Household consists of Mom, Dad and their 4 year old child. Dad works and Mom is not employed. Their 4 year old child goes to day care while Dad is working. Mom cannot claim the exemptions as she is not providing the care for the child.
4. Two adult sisters live in the same home but purchase and prepare meals separately. One sister has a child and works outside the home. The other sister cares for her niece and

can claim the exemption. The discussion with the households must be documented.

8. Individuals who are in receipt of unemployment compensation including Railroad Unemployment Benefits or one who has applied for, but has not yet started to receive unemployment compensation even if a determination has not yet been made on the claim. If the eligibility is questionable, verification must be obtained.
9. A **regular** participant (whether in or outpatient) in a drug addiction or alcohol treatment and rehabilitation program.
10. Individuals who are employed and working at least 30 hours weekly (can be averaged) or receiving weekly earnings at least equal to the federal minimum wage multiplied by 30 hours. This includes:
  - a. Self-employed individuals when the worker determines that the employment constitutes a full-time job.
  - b. Individuals receiving a training wage. The training wage must be substituted for the applicable federal or state minimum wage when determining if the individual is exempt from work requirements.
  - c. State certified individuals who home school their children a minimum of 30 hours per week. For state certification, the individual must file a SFN 16909 - Statement of Intent with the superintendent of the child's school district to do home schooling.
  - d. Individuals who, by contract, derive their annual income in a period of time shorter than one year.

If an individual is NOT an ABAWD and NOT exempt from the work requirements at the time of initial application or review, the individual is required to register for work by completing the SFN 385 – Affidavit for SNAP

Work Requirements or SFN 353 - Affidavit for BEST Registrants at the time of application and review. The individual is not required to work register again for 12 months.

11. A refugee participating in a refugee resettlement program.
9. 430-05-40-30 – Voluntary Quit. Policy clarification was added to this section by adding an exception to the policy.

### **Voluntary Quit 430-05-40-30**

When an individual quits or loses a job through their own actions or reduces their work effort voluntarily and after the reduction is working less than 30 hours per week, the worker must explore whether the voluntary quit provisions apply. **The voluntary quit provisions do not apply to individuals exempt from the work requirements, other than individuals exempt due to employment of 30 hours per week or receiving weekly earnings at least equivalent to the federal minimum wage currently in effect multiplied by 30 hours.**

#### **Exception:**

**Individuals who are exempt from the work requirements due to employment of 30 hours per week or receiving weekly earnings at least equivalent to the federal minimum wage currently in effect multiplied by 30 hours.**

An individual is disqualified if all of the following voluntary quit provisions are met:

1. If the quit or reduction in hours occurred:
  - within 30 days prior to the date of initial application

- within 30 days prior to the date of receipt of the application for review
- within 30 days prior to the date of when an individual is added to an on-going case.

**Example:**

Household reports an individual moved into their home on April 15. Individual is being added to the case for May benefits. If the quit occurred within 30 days prior to May 1, voluntary quit provisions would apply if all other provisions are met.

- After the initial application or application for review was filed and the household reports the quit or reduction prior to the application or review being processed.
2. If the individual was a **mandatory** work registrant at the time of the quit or reduction in hours.
  3. If the individual was **hired** for employment of 30 hours or more per week (can be averaged), regardless of the length of employment or if the individual received weekly earnings at least equivalent to the federal minimum wage currently in effect multiplied by 30 hours.

**Example:**

A mandatory work registrant was hired to work 30 hours per week. The individual quit the second day of employment without good cause. This would be considered a voluntary job quit.

4. If the quit was without good cause.

**Benefits must not be delayed beyond expedited processing time frames pending the outcome of the determination.**

If it is determined that a voluntary quit or reduction in hours occurred after benefits have been issued and verifications were postponed in order to meet the expedited time frames, a claim must NOT be established however, the individual would be disqualified (DW).

**Example:**

A SNAP application was received; verification of last paycheck, last day of work and reason for termination was postponed to meet the expedited processing time frame. The SNAP review, and postponed verifications were provided. If the verified information indicates the individual quit the job within 30 days of the initial application without good cause, voluntary quit provisions apply.

A disqualification penalty **is applied** to a voluntary quit when an individual:

1. Voluntarily quits or reduced hours without good cause.
2. Simply leaves a job unannounced or does not return to work without good cause.
3. Had been warned by the employer and continues the objectionable behavior after the warning and is terminated.

**Example:**

An individual is continually late for work or does not show up for work.

4. Is terminated without prior warning.

**Examples:**

Stealing from the employer or drinking on the job.

If the individual states they quit a job or reduced their hours and are not claiming good cause, an employer contact is not required. This must be thoroughly documented in the case file.



A disqualification penalty **is not applied** to a voluntary quit when:

1. The reason for the termination/reduction was beyond the individual's control.
2. Terminating a self-employment enterprise.
3. Resigning a job at the demand of an employer, when an individual has been given the option of resigning or being terminated due to circumstances beyond the individual's control.
4. Terminating employment through a training program such as WIA.
5. An individual quits a job, secures new employment at comparable wages or hours and is then laid off, or through no fault of their own loses the new job, the earlier quit will not form the basis of a disqualification.

**Example:**

An individual quits a full-time job without good cause and several days later applies for SNAP. At the time of application, the individual has secured new employment and is exempt from work requirements. A disqualification would not be imposed against the individual as at the time of application, the individual is exempt from the work requirements.

6. An individual reduces their work hours to less than 30 hours a week, but continues to earn weekly wages that exceed the Federal minimum wage multiplied by 30 hours
- 
10. 430-05-40-55-45 – Disqualification Time Frames for BEST.  
Clarification for Disqualification time frames was added.

## **Disqualification Time Frames for BEST 430-05-40-55-45**

The following disqualification time frames apply for failure to comply with BEST. Before disqualifications are applied to BEST participants, the conciliation period must be followed. The disqualification must be entered on the WORS screen in TECS.

1. First Violation:

A one-month disqualification must be served (from the date the disqualification becomes effective). The disqualification continues until the individual complies with the BEST requirements for which the disqualification was imposed or becomes exempt.

2. Second Violation:

A three-month disqualification must be served (from the date the disqualification becomes effective) and continues until the individual complies with the BEST requirements for which the disqualification was imposed. If an individual becomes exempt during the disqualification period eligibility must be reestablished.

3. Third Violation:

A six-month disqualification must be served (from the date the disqualification becomes effective). The disqualification continues until the individual complies with the BEST requirements for which the disqualification was imposed or becomes exempt. If an individual becomes exempt during the disqualification period eligibility must be reestablished.

If the individual complies with the BEST requirements for which the disqualification was imposed, the individual can be eligible after the disqualification time frame has been served.

If the individual becomes exempt during the disqualification time frame, the disqualification time frame must be ended and the individual can be eligible.

Once a disqualification is imposed:

- If an individual in an ongoing case is disqualified and:
  - Complies during the disqualification period, they must serve the one, three or six month disqualification before they can become eligible.
  - Becomes exempt, the individual can be eligible the following month.
- If the case closed and the individual is reapplying and:
  - Has complied, they must serve the one, three or six month disqualification before they can become eligible.
  - Is exempt, the individual is eligible at the point of application.

A BEST disqualification may be imposed after the end of a review period. Notice F425 – BEST Non-Compliance must be sent whenever the county becomes aware of a client’s noncompliance with the BEST Program, even if the disqualification begins after the review period expires and the household has not completed their review.

### **Income 430-05-50**

11. 430-05-50 - Income. The income policies have been updated to align with other economic assistance programs. **This is a change in policy.**

### **Income 430-05-50**

~~Income is all types of monies, regardless of the source. It is the responsibility of the worker to determine if the income is countable.~~

Income is the gain or benefit, earned or unearned, derived from labor, business, capital, or property which is received or is available to the household.

12. 430-05-50-15-10 –Income Anticipation. This section has been renamed to, “Converting Income.” The income policies have been updated to align with other economic assistance programs. **This is a change in policy.**

### **~~Income Anticipation~~ Converting Income 430-05-50-15-10**

~~Income already received or future income that can be reasonably anticipated, will be taken into account at the time of review. If the amount or receipt of income is uncertain, that portion of the household's income that is uncertain will not be counted. That portion which can be anticipated with reasonable certainty is counted as income.~~

~~In cases where the receipt of income is reasonably certain but the monthly amount may fluctuate, the household may elect to income average, if paid once or twice a month.~~

~~For all cases where income (both e~~Earned and unearned)~~) is~~ income ~~received either weekly or biweekly (every two weeks), income must be converted for benefit determination.~~

Biweekly is defined as receiving earnings every two weeks.

**Example:**

~~Individual receives a paycheck every other Monday.~~

**EXCEPTIONS:**

**Income conversion does not apply to:**

- 1. Income paid monthly or twice a month.**
- 2. Irregular income such as on-call or income from day labor.**
- 3. Self-Employment income.**
- 4. Child support income.**
- 5. Income the household will not receive on each of the weekly or biweekly pay dates.**

To convert weekly earnings, total the weekly checks and divide by the number of checks (4 or 5) to arrive at the weekly average. The weekly average is then multiplied by 4.3.

To convert biweekly earnings, total the biweekly checks and divide by the number of checks (2 or 3) to arrive at the biweekly average. The biweekly average is then multiplied by 2.15.

**Exceptions**

- ~~**1. Income conversion does not apply to self-employment income.**~~
- ~~**2. Income will not be converted when it is known that a household will not receive the income on each of the weekly or biweekly pay dates.**~~

**~~3. Income conversion does not apply to child support income as this is base month budgeted.~~**

If tips, commissions, bonuses or incentives are paid or reported weekly or biweekly and are included on the weekly or biweekly paycheck or pay stub, they are converted.

If tips, commissions, bonuses or incentives are paid or reported weekly or biweekly and are included on the paycheck or pay stub, but not in the gross income and the paychecks are received weekly or biweekly, they must be added to the gross income and converted.

If tips, commissions, bonuses or incentive are not paid weekly or biweekly, they are not converted. The tips, commissions, bonuses or incentives must be counted separately as earned income.

**Examples:**

1. Cash tips received daily and reported monthly are not converted.
2. ~~Tips paid in a separate check that is not paid weekly or biweekly are not converted.~~
3. 2. A household reports at interview applies for benefits on October 20 and report a household member started a new job, is paid weekly, and received the their first paycheck on October 18. and is paid every Wednesday. October income is not converted for the month of application because the individual did not receive income each week. Actual income along with what is anticipated for the remainder of the month is used for October. Income is converted for the second beginning month of November. ~~Income for the month of application is not converted (October) because the individual did not receive income each Wednesday in October. Actual anticipated income is used for October. Income is converted for the second beginning month of November.~~

4. ~~3.~~ A household ~~reports on~~ applies for benefits on October 10. ~~that a~~ At the time of application the household reports a household member will be losing a job on October 25, ~~and~~ will receive a final paycheck on November 3, and will be searching for a job. October income is converted for the application because the individual received income each week. ~~When calculating eligibility and level of benefits f~~For November, the income for this individual household member is not converted, as the individual will not receive income each week in November. The actual anticipated last paycheck on November 3rd is used.
5. ~~4.~~ Ongoing household reports on June 5, that they will not receive all of their weekly paychecks in July as the company will be closed for one week. Since this change will result in an increase in benefits, the F419 must be sent for verification. If verification is provided, the actual anticipated income (not converted) must be used for July as the household will not receive income on each of their weekly pay dates.

In August, the household is anticipating to receive all of their weekly pay checks. Since converting the income will result in a decrease in benefits, the change to conversion must not be acted on until review.

In cases where income is received sporadically, the worker must use base month income, unless the household reports a change.

#### **Examples:**

**On call income or child support received on an irregular basis.**

|                                |  |
|--------------------------------|--|
| <b><del>Calculation:</del></b> | <b><del>Example: Documentation must support the amount of income used.</del></b> |
|--------------------------------|--|

|  |   |
|--|---|
| <del>March 20 — \$400.00</del><br><del>April 5 — 425.00</del><br><del>\$825.00</del> | <p>a) <b><del>Current income</del></b></p> <p><del>Household initially applies on April 5 and is interviewed on April 9. At the interview the household indicates they are paid twice a month and provides March 5 check — \$250.00 gross income, March 20 check — \$400.00 gross income, and April 5 check — \$425.00 gross income. During the interview household indicates that March 5 check is short hours due to inclement weather. Household anticipates May income to be the same as March 20 and April 5 checks. These two checks — totaling \$825.00 gross income are used to determine April and May benefits.</del></p>                               |
| <del>April 5 — \$350.00</del><br><del>—— x2</del><br><del>\$700.00</del>             | <p>b) <b><del>Decreased income</del></b></p> <p><del>Household paid twice a month reports a decrease in wages on April 5 and verifies the March 5 check — \$500.00 gross income, March 20 check — \$500.00 gross income, and April 5 check — \$350.00 gross income. The household provides verification that the decrease in hours is ongoing due to the employer cutting back all employees' hours.</del></p> <p><del>Take April 5 check times two to anticipate May gross income of \$700.00. The April 5 check verifies the decrease in hours unless the worker, using prudent judgment, believes it is necessary to obtain additional verification.</del></p> |
| <del>March 5 — \$300.00</del><br><del>March 20 — 450.00</del><br><del>\$750.00</del> | <p>c) <b><del>No change — Base Month</del></b></p> <p><del>Household paid twice a month verifies actual March income and provides March 5 check — \$300.00 gross income, March 20 check — \$450.00 gross income, and April 5 check —</del></p>  |



|  |   |
|--|---|
|  | <p><del>\$190.00. The household indicates March income is what they anticipate for the month of May. March income totaling \$750.00 gross income is used to determine the effect on May benefits.</del></p>   |
| <p>April 5 — \$400.00<br/> April 20 — <u>600.00</u><br/> 1000.00</p>   | <p>d) <del>No change</del> <b>Current Month</b></p> <p><del>Household paid twice a month verifies actual March and April income and provides March 5 check — \$300.00 gross income, March 20 check — \$450.00 gross income, April 5 check — \$400.00 gross income and April 20 check — \$600.00 gross income. The household indicates no change in income. April income totaling \$1000.00 gross income is used to determine the effect on May benefits as it is the most current information.</del></p>  |
| <p>April 5 — \$412.00<br/> Divided by — <u>5.15</u><br/> 80 Hours</p> <p>\$5.40<br/> <u>—x80</u><br/> \$432.00</p> <p>\$432.00<br/> <u>—x2</u><br/> \$864.00</p> | <p>e) <b>Increased income</b></p> <p><del>Household paid twice a month provides March 5 check — \$412.00 gross income, March 20 check — \$412.00 gross income, and April 5 check — \$412.00 gross income. The household reports a pay raise from \$5.15 per hour to \$5.40 per hour that will be reflected on April 20 paycheck. Household indicates no change in 40 hours per week. Take April hours from April 5 check times the new pay rate times two for a total of \$864.00. This amount is used to determine the effect on May benefits.</del></p> |
| <p>March 5 — \$250.00<br/> March 20 — <u>400.00</u></p>  | <p>f) <b>On-call income</b></p> <p><del>Household paid twice a month initially applies</del></p>  |

|   |   |
|---|---|
| <p><del>\$650.00</del></p>  | <p><del>on April 5 and is interviewed on April 9. At interview household reports on-call employment and provides March 5 check—\$250.00 gross income, March 20 check—\$400.00 gross income, and April 5 check—\$425.00 gross income. During the interview household indicates that they do not have any idea of what, if any, earnings they will have on the April 20 check or for the month of May. Base month income of \$650.00 must be used.—</del></p>   |
| <p> <del>March 6 — \$175.00</del><br/> <del>March 13 — 115.00</del><br/> <del>March 20 — 210.00</del><br/> <del>March 27 — 166.00</del><br/> <del>\$666.00</del><br/> <br/> <del>\$666.00</del><br/> <del>Divided by — 4</del><br/> <del>\$166.50</del><br/> <br/> <del>\$166.50</del><br/> <del>— x4.3</del><br/> <del>\$715.95</del> </p> | <p><b>g) Extra paycheck</b></p> <p><del>Household initially applies on April 5 and is interviewed on April 9. The household is paid weekly and verifies March earnings of March 6 check—\$175.00 gross income, March 13 check—\$115.00 gross income, March 20 check—\$210.00 gross income, March 27 check—\$166.00 gross income, and April 3 check—\$195.00 gross income. The household anticipates April earnings to be the same as March and anticipates no changes for May.—</del></p> <p><del>March verified gross income is \$666.00. When determining April benefits the worker must divide March gross income by 4 (\$166.50). The weekly amount of \$166.50 is then multiplied by 4.3 to arrive at \$715.95, which is used in determining April and May benefits.</del></p> |

13. 430-05-50-15-20 –Income Only in Month Received. This section has been renamed to, “Income Consideration.” The income policies have

been updated to align with other economic assistance programs.  
**This is a change in policy.**

**In addition, section 430-05-50-15-35 Earned vs. Unearned income will be repealed.**

**~~Income Only in Month Received~~ Income Consideration  
430-05-50-15-20**

Both earned and unearned income received on a recurring basis is considered received on the date the income is normally received regardless of changes due to mailing cycles, pay dates or because weekends or holidays cause additional payments to be received.

~~Actual anticipated income during the review period must be counted only during the month it is **normally** received, unless converting or income averaging is used.~~

~~Households receiving recurring income paid twice a month or monthly will not have their monthly income varied merely because of changes in mailing cycles or pay dates or because weekends or holidays cause additional payments to be received in a month.~~

**Examples:**

1. An employer may issue checks early because the normal payday falls on a weekend or a holiday. Income will be counted in the month it would normally be received, rather than the month it is actually received.
2. An individual is paid on the 1st and the 15th of each month. If the 1st falls on a weekend or holiday, the employer issues the check early, on the last working day prior to the weekend or holiday. This income (1st of the month check) is counted in the

month it would normally be received, regardless of when it is actually received.

~~For households in receipt of a state or federal assistance payment such as TANF, General Assistance (GA), SSI, or Social Security payments, on a recurring basis, payment is considered as having been received once a month, even if mailing cycles may cause two payments to be mailed in one month and none in another month.~~

Wages held at the request of the employee must be considered income in the month in which they would otherwise have been paid by the employer.

Wages held by the employer as a general practice, even if in violation of law, will not be counted as income to the household until actually received.

For households initially **approved for** both SNAP and TANF at the same time, the initial TANF grant must be considered if authorization of initial month's TANF benefit is made prior to the last five working days of the month. ~~when prospectively determining the initial month of SNAP eligibility and benefits if it can be reasonably anticipated during the initial month.~~

~~The initial TANF grant must be anticipated for the initial month of SNAP eligibility if authorization of initial month's TANF benefit is made prior to the last five working days of the month.~~

**~~Example:~~**

**~~A household applies for both TANF and SNAP on May 20, and is authorized for initial month's TANF benefit in the amount of \$300 on May 30. The initial TANF grant of \$300 cannot be anticipated for May because TANF authorization was not completed prior to the last five working days of May. Therefore, the May TANF grant is not used to determine initial May SNAP.~~**

~~If TANF authorization is completed on May 26, instead of May 30, the \$300 initial TANF grant is used as anticipated income for May.~~

14. 430-05-50-15-30 – Contract Income. The income policies have been updated to align with other economic assistance programs. **This is a change in policy.**

## **Contract Income 430-05-50-15-30**

Contract income is a contracted wage which covers a specified period of work, usually 12 months or less. A contract for income must be written and the salary amount identified in the contract.

### **Examples:**

School teachers, bus drivers, coach, etc.

Individuals who receive contract income that does not represent their annual income must have the income prorated over the period of time intended to cover.

### **Example:**

~~Ongoing household reports in November that they entered into a coaching contract for the months of November, December, January and February. The contract is for \$2,000 with a one-time payment on February 15. Since this contract does not represent the household's annual income, the \$2,000 must be prorated over 4 months. The only month income of \$500 would be anticipated and used to determine the effect on the benefit is February.~~

Individuals who receive contract income which is renewable on a yearly basis and is intended as their annual income must have this income averaged over a 12-month period. ~~These individuals may include school employees (such as teachers, cooks, bus drivers, and janitors), share croppers, etc.~~

~~A contract for income must be written or implied and the salary amount identified in the contract must be for a set dollar amount, not an hourly or piece meal basis. Additionally, the salary must be paid based on the set dollar amount, not paid by how many hours were worked or the amount of work that was completed.~~

If the contract indicates an hourly wage and the employer verifies the contract is for a predetermined total salary amount, the income is considered contract income.

If the contract indicates a predetermined total salary amount, but the individual is paid based on the number of hours worked or the amount of work that was completed, it is not contract income and is treated as normal earned income.

**Example:**

John signed a contract for 9 months as a school janitor and the contract states he will receive \$9000 in monthly installments. John states the income is intended for his annual support:

If John is paid \$1000 every month regardless of the hours he works, it is a true contract situation and we would budget \$9000 by 12 months = \$750 monthly.

However, if John's monthly wages vary by the number of hours he works per month, it is not a true contract because John is being paid by the hour, not by the contract amount. (For example, one month his wage shows 160 hours x his hourly wage and 20 hours of overtime, and the next month shows 100 hours x his hourly wage, and the pay is equal to the hourly rate.) John's income would be

budgeted as received in this situation, not annualized or averaged over the period of the contract.

Individuals who receive contract income that does not represent their annual income must have the income prorated over the period of time intended to cover.

**Example:**

Ongoing household reports in November that they entered into a coaching contract for the months of November, December, January and February. The contract is for \$2,000 with a one-time payment on February 15. Since this contract does not represent the household's annual income, the \$2,000 must be prorated over 4 months.

The only month income of \$500 would be anticipated and used to determine the effect on the benefit is February.

~~Contract income that is intended for the individual's annual income must be annualized over a 12 month period, even though predetermined non-work periods are involved or actual compensation is scheduled for payment during work periods only.~~

When ~~An~~ applicant initially applies and has a new contract or an ongoing household that initially starts receiving contract income, the income is annualized. The monthly amount is not counted until the budget month that the individual will actually receive a check. ~~during participation in the program. In these instances, the worker must anticipate income and annualize, but not count~~ **any income** ~~until the budget month that the individual will actually receive a check.~~

**Example:**

A household applies in June and has a contract to start teaching in August. The income from the contract must be annualized; however, the first month that any contract income would be counted is August.

**Example:**

~~A household applies in June and has a contract to start teaching in August. The income from the contract must be annualized, however, the first month that any contract income would be counted is August.~~

~~Once the household is in a continuing cycle of income, the worker must annualize income expected and begin counting the monthly amounts the first month of participation.~~

**Example:**

~~In January, a household applies and a teacher in the household has been under contract for the last year and receives contract income for the months of August through May. Starting with the benefit month of January, the contract income must be prorated over 12 month and 1/12 of it must be counted as income and used when calculating January benefits (the first month of participation).~~

**Contract Renewal**

~~The renewal process may involve signing of a new contract each year, may be automatically renewable, or, as in cases of school tenure, rehire rights may be implied and not require a written contract.~~

15. 430-05-50-20-05 – Earned Income. The income policy has been updated to align with other economic assistance programs. **This is a change in policy.**



## Earned Income 430-05-50-20-05

Earned income includes, but is not limited to:

Earned income is profit from activities in which an individual is engaged through employment. Earned income must entail personal involvement and effort on the part of the applicant or recipient.

The following types of earned income are countable:

1. Wages and salaries including:

- Paid sick, vacation and holiday leave

**EXCEPTION:**

**Sick, vacation and holiday leave is considered unearned income if the individual is no longer employed and it is paid from employer funds.**

- Commissions
- Wages garnished by the employer
- Advances are counted when received
- Tips. When tips are not shown on wage stub, the recipient's statement as to the amount of tips received each month is adequate if consistent with place, type of employment and number of hours worked.
- Bonuses
  - Recurring bonuses are counted. At application or review, the worker must verify the last bonus received. The verified amount is then prorated over

the period of time intended to cover and used in the new review period.

- Non-recurring bonuses are excluded.

1. ~~All wages and salaries of an employee, including individuals under the age of 18 who are not attending school. This includes wages paid by the Census Bureau for temporary employment related to census activities and short term disability payments from the employer.~~

**Exception:**

**~~Short term disability payments from an outside source other than the employer are considered unearned income.~~**

2. ~~Self-employment income is considered earned income when the individual is actively engaged in the operation. The earned income from self-employment is separated from the unearned income when using the self-employment calculation worksheet.~~

**3. Employment Contracts**

3. ~~Payments under Title I (VISTA, University Year for Action, etc.) of the Domestic Volunteer Services Act of 1973. These payments are subject to the earned income deduction, excluding vendor payments.~~

**Exception:**

**~~These payments are excluded for individuals receiving SNAP or TANF at the time they joined the Title I program. Temporary interruptions in SNAP participation will not alter the exclusion once an initial determination has been made.~~**

4. Wages received by an individual or Qualified Service Provider (QSP) for providing services under Family Home Care, when the individual is employed by an agency. (When an individual or QSP is not an employee of an agency, the income is considered self-employment.)

4. ~~Earnings of individuals participating in on the job training programs under Title I of WIA or Youthbuild who are over the age of 19 or under the age of 19 who are not under parental control.~~

5. Short term or long term disability or loss of time insurance payments for illness or injury paid by the employer.

**EXCEPTION:**

**Short term or long term disability or loss of time insurance payments for illness or injury paid by someone other than the employer is unearned income.**

5. ~~Military re-enlistment bonus.~~

~~If a household receives up to 50% of the bonus amount as an initial payment with the remainder paid in equal annual installments, the initial payment and the annual installments are annualized.~~

~~If a household receives the bonus as a lump-sum payment, it is exempt as a non-recurring lump-sum payment. The lump-sum payment is counted as a resource in the month it is received.~~

6. In-kind income is paid or given in goods, credit, including in-store credit or services instead of money. In-kind income is considered earned income when the individual has the option to receive a wage or monetary payment.

The value of the goods received may have been verbally negotiated or specified in a written document and must be verified. Otherwise a mutually acceptable market value must be negotiated.

**Example:**

An individual working as an apartment manager receives a \$330 deduction from the rent. The \$330 deduction would be counted as

income when the employee has the option to receive payment of \$330.

~~6. Wages received by an individual or Qualified Service Provider (QSP) for providing services under Family Home Care, when the individual is employed by an agency. (When an individual or QSP is not an employee of an agency, the income is considered self-employment.)~~

7. Income earned by higher education students from internships, or stipends, teaching assistantships, or fellowships which **require work participation** to receive the income

**Exception:**

**Wages earned under the Federal or State Work Study Program are excluded.**

~~7. Wages that are diverted to pay an expense when an individual has the option.~~

**Example:**

~~**Housing provided by an employer in lieu of wages, when the employee has the option of either being paid or having his wage applied toward an expense (free or reduced rent, day care bill, car repairs, etc).**~~

8. Military Pay, including:

- a. Basic Allowance for Subsistence (BAS) and Family Subsistence Supplemental Allowance (FSSA) for members of the armed forces
- b. Variable Housing Allowances (VHA), Basic Allowance for Quarters (BAQ) and Basic Allowance for Housing (BAH) paid to military personnel for housing costs
- c. Military re-enlistment bonus.

If a household receives up to 50% of the bonus amount as an initial payment with the remainder paid in equal annual installments, the initial payment and the annual installments are annualized.

If a household receives the bonus as a lump-sum payment, it is excluded as a non-recurring lump-sum payment.

~~8. Wages that are garnished by the employer. Any amount garnished is not excluded. The total gross income is counted in the income computation.~~

~~9. Wages received by an individual enrolled in a Job Corps Program, when the wages are not provided by the Job Corps Program.~~

~~9. Bonuses received on a recurring basis must be counted as earned income.~~

~~For a recurring bonus, at application or review, the worker must verify the last bonus received. The verified amount is then prorated over the period of time intended to cover and used in the new review period.~~

~~If the bonus is a one-time payment or the household cannot reasonably anticipate receipt of it again, it is treated as a non-recurring lump sum.~~

~~If the bonus is received on a sporadic basis, the bonus must be base month budgeted or prorated over the period of time intended to cover and the monthly prorated amount must be counted, unless the household reports a change.~~

### **Examples:**

~~**1. At application in February, the household reports their employer pays monthly performance bonuses based on the office quota. The household reports they received their last bonus in November and does not know whether they will receive a future bonus. Since the household is**~~

~~not receiving a recurring bonus and does not anticipate receipt of a bonus, no bonus income is counted.~~

~~In March the household turns in a change report form along with pay stubs for Medicaid. The pay stubs indicate the household received a performance bonus in February. Since the bonus is now recurring, the bonus income must be anticipated for April. The worker must determine if using the bonus along with any other changes results in an increase or decrease in benefits.~~

~~2. At review in February for March, the household reports they continue to receive a monthly performance bonus. The bonus received in February is verified and used for the new review period.~~

10. Sheltered workshop employment - An organization that employs people with disabilities.

~~10. Advances will be counted as income when received, unless previously counted as income. Advances on wages will count as income in the month received **only** if reasonably anticipated.~~

11. Earnings from on-the-job training

~~11. Money received from the sale of an individual's blood or blood plasma.~~

12. Compensation for jury duty

~~12. Family Subsistence Supplemental Allowance (FSSA) payments made to members of the Armed Forces.~~

13. Compensation for plasma donations, participation in medical studies, etc.

~~13. Variable Housing Allowances (VHA), Basic Allowance for Quarters (BAQ) and Basic Allowance for Housing (BAH) paid to military personnel for housing costs.~~

14. Alternative Trade Adjustment Assistance/Reemployment Trade Adjustment Assistance wage subsidy, provided under the Trade Adjustment Assistance (TAA) Extension Act of 2011. This wage subsidy is paid to eligible workers over the age of 50 and pays a portion of the individual's wage (the difference between the individual's new wage and old wage).

~~14. Alternative Trade Adjustment Assistance/Reemployment Trade Adjustment Assistance (ATAA) wage subsidies provided under the Trade Adjustment Assistance (TAA) Extension Act of 2001.~~

15. Workforce Innovation and Opportunity Act (WIOA) or Youthbuild earnings.

**EXCEPTION:**

**Earnings of individuals participating in on-the-job training programs under Title I of WIOA or Youthbuild who are under the age of 19 and under parental control are not counted.**

16. AmeriCorps VISTA income when an individual is receiving SNAP at the time they take their oath to join.

17. Census Income.

16. 430-05-50-20-05-05 – Children's Earned Income. The income policy has been updated to align with other economic assistance programs. **This is a new policy.**

## **Children's Earned Income 430-05-50-20-05-05**

To exclude the earned income of a student under the age of 18, that student must be attending elementary or secondary school at least half time and living with a natural, adoptive parent or stepparent, or be under the parental control of a household member other than a parent.

This exclusion continues during school vacations, provided the child's enrollment resumes following the vacation.

A student is someone who is attending elementary or secondary school or attending classes to obtain a General Equivalency Diploma (GED). The school must be recognized, operated or supervised by the state or local school district. This includes a student who attends classes through a home-school program recognized or supervised by the state or local school district.

Earnings for these individuals are excluded through the month they turn 18.

When a student turns 18, if the household provides current income verification for the student, the student's income must be used to determine the effect on the benefit starting with the month following the student's birthday.

If the student's earnings or amount of work cannot be identified from that of others, the total earnings are prorated evenly among the working members and the student's pro rata share is excluded (i.e. migrants when the contract is for the family unit).

17. 430-05-50-20-10 – Unearned Income. The income policy has been updated to align with other economic assistance programs. **This is a change in policy.**

## **Unearned Income 430-05-50-20-10**



Unearned income is income not gained by current labor, service, or skill. Most unearned income is the result of past labor, services, or investments, which have enabled the individual to receive a current benefit or pension.

If unearned income is withheld for:

- Child support or taxes, the gross amount must be counted.
- Repayment of an overpayment from the same source, the net amount must be counted.

**EXCEPTION:**

**When there is a reduction in a TANF benefit due to failure to perform a required action or for IPV and an overpayment is being recouped, the gross amount of the TANF grant must be counted as income if the individual was receiving SNAP benefits at the time the penalty was imposed.**

- Repayment of another source, the gross amount must be counted.

**Examples:**

1. Back Taxes
2. Defaulted Student Loan

When unearned income is held at the request of an individual, it is considered income in the month normally received.

Unearned income includes, but is not limited to:

1. Payments from Social Security Administration:
  - Retirement, Survivors, and Disability Insurance (RSDI)
  - Supplemental Security Income (SSI)
  - Presumptive SSI

Lump sum retroactive adjustments from Social Security due to changes in an individual's earnings record will be considered as follows:

If the individual received SSA benefits AND had earnings in the year prior to the adjustment, the adjustment will be considered a recurring lump sum benefit.

If the individual did not receive SSA benefits OR did not have earnings in the year prior to the adjustment, the adjustment will be considered a non-recurring lump sum benefit.

- ~~1. Assistance payments such as TANF, including Diversion Assistance and TANF Transition Assistance (Job Retention portion of the payment). During the first four months of TANF Pay After Performance eligibility, the grant for the children's needs must be anticipated and counted as unearned income. Since the Pay After Performance individual's needs cannot be anticipated during any of the first four months, the Pay After Performance individual's needs are not counted.~~

~~If the individual is complying and their needs are prospectively included in the grant for month five, the grant including the individual's needs must be prospectively budgeted for SNAP.~~

**Exception:**

**~~JOB supportive services and TANF Supportive Services and Special Items of Need that represent a reimbursement are not counted as income.~~**

**~~The housing allowance is not considered a reimbursement, and is counted as unearned income.~~**

~~When there is a reduction in a TANF benefit due to failure to perform a required action or for IPV and an overpayment is being recouped, the gross amount of the TANF grant must be counted as income if the individual was receiving SNAP benefits at the time the penalty was imposed.~~

## 2. Unemployment and Workforce Safety and Insurance

These benefits are paid on an Electronic Benefits Card and are considered income:

- a. On the date received; or
- b. When available and the recipient has a legal ability to access the income for support or maintenance.

If the household cannot verify the date of actual receipt, the receipt date is deemed to be either:

- a. The date funds were deposited into the account based on a bank statement from U.S. Bank or their personal bank account; or
- b. Two working days after the date the WSI or UIB was processed.

## ~~2. Payments such as:~~

- ~~a. Annuities – including IRAs and Keogh Plans~~
- ~~b. Pensions – retirement or disability~~
- ~~c. Veteran's benefits~~
- ~~d. Workforce Safety & Insurance~~
- ~~e. Unemployment compensation – The worker must allow three working days mailing time with day one being the check date in the online Job Service system in determining when unemployment benefits were received.~~

- ~~f. Social Security and SSI benefits~~
- ~~g. Strike benefits~~
- ~~h. Deemed income from a spouse in a nursing home to the spouse in the community.~~
- ~~i. Adoption subsidies~~

**Exception:**

**~~Adoption subsidies that are reimbursements for child care while the responsible adult is working or seeking employment or for medical expenses are excluded.~~**

- ~~j. General Assistance~~

~~If child support or taxes are withheld from any of the above benefits, the gross amount must be counted.~~

~~If a portion of one of the above benefits is withheld to repay an overpayment from that same source, the net amount must be counted.~~

~~If a portion of one of the above benefits is withheld to repay another source, the gross amount must be counted.~~

**Examples:**

- ~~1. Back Taxes~~
- ~~2. Defaulted Student Loan~~

~~If there is a reduction in one income source due to the receipt of another income source, the net amount must be counted.~~

3. Other benefits, including but not limited to:

- Monthly or regular payments from annuities, pensions and other retirement plans (including dividends and interest).

Penalties if any should be deducted from the gross disbursement amount.

- General Assistance
- Income deemed to a community spouse or household member
- Military Allotment received from non-household member.
- Short term or long term disability or loss of time insurance payments for illness or injury paid by someone other than the employer (AFLAC, CIGNA, Thrivent, etc.).
- Railroad benefits
- Veterans benefits other than those designated for education
- Union Compensation during strikes

**EXCEPTION:**

**Households with a member who is on strike may or may not be eligible for SNAP**

~~3. Self-employment income is considered unearned income when the individual is not actively engaged in the operation. The unearned income from self-employment is separated from the earned income when using the self-employment calculation worksheet.~~

4. TANF and Diversion Assistance, including:

- Job Retention portion of TANF Transition Assistance
- TANF Kinship Care

**EXCEPTION:**

**JOBS Supportive Services, TANF Supportive Services and Special Items of Need that represent a reimbursement are not counted as income.**

**The housing allowance is not considered a reimbursement, and is counted as unearned income.**

**When there is a reduction in a TANF benefit due to failure to perform a required action or for IPV and an overpayment is being recouped, the gross amount of the TANF grant must be counted as income if the individual was receiving SNAP benefits at the time the penalty was imposed.**

**For TANF Pay After Performance, during the first four months the grant for the children's needs must be anticipated and counted. Since the portion of the grant for the Pay After Performance individual's needs cannot be anticipated during any of the first four months, it is not anticipated. If the individual is complying and their needs are prospectively included in the grant for month five, the grant including the individual's needs must be counted.**

4. ~~Contracts for Payment. When an applicant or recipient has sold property with a contract to receive a series of periodic payments, rather than one payment, the arrangement is usually called a "contract for deed". The essential feature of the contract for deed is the right to receive future payments, usually coupled with a right to get the property back if the payments are not made. Contractual rights to receive money payments also arise out of other types of transactions. The valuable contract document may be called a note, accounts receivable, mortgage, or by some other name.~~

**~~Note:~~** ~~Some contractual rights may be written so the lender has the right to demand payment at any time. If so the note is considered a demand note and can be called in at any time. If a note is written so the lender does not have the right to demand payment but the note is in default, it also becomes a demand note. Contractual rights may or may not have collateral or security to guarantee payment.~~

~~The payments will include both interest and a portion of the sale price of the property that was sold (principle) and must be calculated separately.~~

~~The interest portion of payments received for any contractual right to receive payments (such as Contracts for Deed) must be counted as unearned income. The payment must be prorated over the period of time intended to cover.~~

5. Child Support and Spousal Support - Court-Ordered and Voluntary

- ~~5. Income made available or payments in money that are made directly to a SNAP household by an ineligible or a non-household member.~~

**~~Examples:~~**

- ~~1. Income deemed from a spouse in a nursing home the spouse in the community.~~
- ~~2. Money put in a checking or savings account by an individual outside of the SNAP household.~~

**~~Exceptions:~~**

- ~~1. Excluded income that is deposited in a joint checking account by an ineligible student is not counted as income.~~
- ~~2. If a household member is identified on an account signature card as an individual who can draw on the account of a non-household member and has no legal ownership of the funds deposited into that account these funds are not considered available and are excluded as income.~~

6. Unearned income as a result of self-employment.

- ~~6. Payments from Government sponsored programs, dividends, interest, royalties, and all other direct money payments from any source that can be construed as a gain or benefit.~~

**Exception:**

~~Interest or dividend income that is accrued or paid out on liquid assets is excluded.~~

7. Tribal Payments and Individual Indian Monies (IIM) Accounts

- ~~7. Monies that are withdrawn that are or could be received by a household from irrevocable trust funds are considered excludable assets. The withdrawal from the trust must be considered income in the month received.~~

~~Please submit complete copies of all trust agreements to the Legal Advisory Unit of the Department of Human Services for review along with the following information:~~

- ~~a. Who is applying for benefits and what benefits they are applying for.~~
- ~~b. Verification of all asset(s) owned by the trust including the value of each asset, when the asset was transferred to the trust and who transferred the asset to the trust.~~
- ~~c. Any other documents or information that you think may be relevant.~~

8. Foster Care Payments, including continuing education and job-training through PATH Inc.

**EXCEPTION:**

**Foster care payments when the foster child is not included as a household member are excluded.**

- ~~8. When monies (which are not considered earned income) legally belonging to a household are diverted to a third party for an expense,~~



~~the vendored payment is counted as unearned income rather than excluded.~~

**~~Examples:~~**

**~~1. TANF protective payments.~~**

**~~2. A household receives court ordered monthly support payments in the amount of \$400. \$200 is diverted by the provider and paid directly to a creditor for a household expense. The court ordered payment of \$400 is counted as income.~~**

**~~Money diverted from a court ordered payment to a third party for a household expense must be included as income because the payment is taken from money owed to the household.~~**

**~~Exception:~~**

**~~Payments specified by a court order to go directly to a third party rather than the household are excluded from income because they are not payable to the household.~~**

9. Recurring Lump Sum Payments are those payments that can be reasonably anticipated to be received more than once. Payments may be recurring monthly, quarterly, yearly, etc.

Recurring payments are prorated over the period of time intended to cover.

Recurring Lump Sum Payments include but are not limited to the following:

- Gambling winnings
- Mineral lease bonuses, oil and gas royalties. Any mandatory production taxes withheld prior to distribution are not counted and are allowed to reduce the amount of countable income. Any

income taxes withheld are not allowed to reduce the amount of countable income.

- Alaska Permanent Fund Payments
- Insurance settlements
- Inheritance
- Income received from a trust - Submit SFN 1947 - Request for Trust Review, along with complete copies of all trust agreements to the Legal Advisory Unit of the Department of Human Services for review.
- Lump sum retroactive social security payments when the individual had earnings in the year prior to the adjustment.

~~9. The amount of a reimbursement that exceeds the actual incurred expense. Reimbursements will not be considered to exceed actual expenses, unless the provider or the household indicates the amount is excessive.~~

10. Cash Contributions received on a regular basis that can be reasonably anticipated.

**EXCEPTION:**

**Cash contributions of less than \$30 per quarter are not counted.**

~~10. Payments to tribal members (residing on or off the reservation) from gaming proceeds. These payments are not per capita payments and must be prorated over the period of time intended to cover.~~

**Examples:**

- ~~Three Affiliated Tribal Elderly Payments~~
- ~~Spirit Lake Social Impact Payments~~

~~• Sisseton-Wahpeton Oyate of the Lake Traverse  
Reservation Casino Cash~~

11. Contracts for Payment. When an applicant or recipient has sold property with a contract to receive a series of periodic payments, rather than one payment, the arrangement is usually called a "contract for deed". The essential feature of the contract for deed is the right to receive future payments, usually coupled with a right to get the property back if the payments are not made. Contractual rights to receive money payments also arise out of other types of transactions. The valuable contract document may be called a note, accounts receivable, mortgage, or by some other name.

**NOTE:** Some contractual rights may be written so the lender has the right to demand payment at any time. If so, the note is considered a demand note and can be called in at any time. If a note is written so the lender does not have the right to demand payment but the note is in default, it also becomes a demand note. Contractual rights may or may not have collateral or security to guarantee payment.

The payments will include both interest and a portion of the sale price of the property that was sold (principle) and must be calculated separately.

The interest portion of payments received for any contractual right to receive payments (such as Contracts for Deed) must be counted as unearned income. The payment must be prorated over the period of time intended to cover.

11. Alaska Permanent Fund Payments. These payments are recurring payments and must be annualized. If someone moves to North Dakota and will no longer get the payment, the current year's payment will be annualized and counted.

12. Refugee Cash Assistance Payments – Payments received under the Refugee Cash Assistance Program or the Wilson/Fish Alternative Program.

~~12. Recurring lump sum payments such as but not limited to gift cards such as Visa and MasterCard, inheritances and insurance settlements. These payments must be prorated over the period of time intended to cover.~~

13. State Long Term Care Subsidy – Individuals receiving a payment of up to \$20 from the State Long Term Care Subsidy Program.

~~14. All gambling winnings.~~

14. Money deposited into a Joint Checking or Savings Account - Money deposited, when the depositor is not a member of the household, is counted as unearned income in the month in which it is deposited. Money deposited by an ineligible household member will also be counted as unearned income. Excluded income that is deposited in a joint checking account by an ineligible student is not counted as income.

**EXCEPTION:**

**If the client's name appears on a signature card, but no member of the household has an ownership interest in that account, funds in the account are not available as income or asset.**

~~15. Cash donations received on a recurring basis.~~

**Exception:**

**Cash donations based on need received from private non-profit charitable organizations that do not exceed \$300 in a quarter.**

**Example:**

~~A household receives \$150 from a private non-profit organization in July, \$100 in August, and \$100 in September. That household would be entitled to an income exclusion of \$150 for July, \$100 for August, and \$50 for September, for a total of \$300.~~

15. Money obligated to the household which is diverted by the household for an expense.

**Examples:**

1. TANF benefits diverted to a Protective Payee
2. Payment diverted to a Representative Payee

- ~~15. The full amount of child support, spousal support, or any other payments made directly to the household from non-household members.~~

~~Child support payments are shown as income on UNIN in TECS next to the child the payment is intended for. Spousal support payments are shown as income on UNIN in TECS next to the person the payment is intended for.~~

~~The worker must verify the following:~~

- ~~a. The amount of the legal obligation.~~
- ~~b. The amount of child support or spousal support received.~~

~~For ongoing cases with a North Dakota court order, verification must be obtained from FACSES. For those households with an out-of-state court order, verification must be obtained using child support stubs or documented collateral contacts.~~

~~Federal tax intercept payments are a non-recurring lump sum and are not counted as income. Federal tax intercept payments do not appear on the View ND Child Support (FACSES) window.~~

~~State and interstate state tax intercept payments are counted as income as these payments are applied to current child support. State~~

~~tax intercept payments do appear on the View ND Child Support (FACSES) window.~~

~~If child support is received via check, direct deposit or electronic payment card (EPC), the worker must allow three working days for posting to the financial account in determining when the income was received. Day one of the three day count is the Disbursed Date on the View ND Child Support (FACSES) window or the date on the check or child support statement for payments not processed through FACSES.~~

~~Child support and spousal support income is base month budgeted.~~

**~~Exceptions:~~**

- ~~1. If child support or spousal support income is received monthly or twice a month, it may be averaged if the household agrees to income averaging. This must be documented in the casefile.~~**
- ~~2. If child support or spousal support is received quarterly, semiannually or as an annual payment, it is prorated over the period of time intended to cover.~~**
- ~~3. If child support income is being retained because the household is receiving TANF, child support income is excluded.~~**

**~~When the TANF case closes, base month child support retained by the state must be anticipated as income.~~**

~~Based on discussion with the household and the verification provided, the worker must document the amount of child support income counted or not counted and why.~~

**Initial Application**

~~At application, child support income to the date of interview must be verified via FACSES or by the household and documented. That amount must be counted along with what the household anticipates to receive for the remainder of the application month. This may include using verification of the last month's income if that is what the household anticipates for the first month of the review period.~~

~~If a household comes in for the interview at the end of the initial month, all child support received in the initial month must be counted. The three working days allowed for posting to the financial account in determining when income is received does not apply to any payment(s) the household may have already received in the initial or second beginning month.~~

~~When processing the second beginning month, the amount of child support income used in the initial month must be anticipated unless the household anticipates a change. If the household anticipates a change, the change must be verified and used.~~

### **Reviews**

~~At review a full month's child support income from the base month or month of review, if available, must be verified and used. If the household reports an anticipated change, verification of the change must be provided and is used.~~

#### **Examples:**

- ~~1. — A household is certified through January 31 and files an application for review on January 26. The household is interviewed on February 10 and receives one child support payment at the beginning of each month. The household received child support income on February 3. The February 3 child support income must be used for the first month of the review period (February).~~
- ~~2. — A household is certified through June 30 and files an application for review on June 26 with no interview required. The household reports they receive two child support payments each month and received all of their June child support income. Since the full month's child support from the review month is available, June child support income must be used.~~

### **Ongoing Cases**

~~For ongoing cases, if the worker receives an alert that child support was received in the base month, the most current month's (base month) income as reflected in FACES must be used to determine the effect on the benefit.~~

~~If the base month income results in an increase in benefits, the change must be acted on.~~

~~If the base month income results in a decrease in benefits, the change is not acted on until review.~~

~~If the worker receives an alert that no child support was received in the base month, the worker will need to check FACES. If no child support was received (applying the three working day policy for child support received in the month prior to the base month) in the base month, no child support income is used to determine the effect on the benefit for the benefit month.~~

~~If a household reports they do not expect to continue to receive child support income, the worker must follow up on this reported change by sending the F419 requesting verification. If verification is provided, the change must be acted on to increase benefits. If verification is not provided, the previously verified amount of income continues to be used until review.~~

~~If a household reports a change in child support income that will result in an increase in benefits, does not provide verification of the change, and the change is not reflected in FACES, the worker must send F419 and follow up on the reported change. If verification is provided, the change must be acted on to increase benefits. If verification is not provided, the previously verified amount of income continues to be used until review.~~

18. 430-05-50-20-10-05 – Child Support and Spousal Support – Court-Ordered and Voluntary. The income policy has been updated to align with other economic assistance programs. **This is a new policy.**

### **Child Support and Spousal Support – Court-Ordered and Voluntary 430-05-50-20-10-05**



Child support and spousal support received by the household is countable unearned income.

Child support is counted as the child's income.

**EXCEPTION:**

**When a household member keeps child support for a child that is not living in the home, the child support is counted as income to the household member that actually received it.**

Spousal support is counted as income to the household member for which it is obligated.

Federal tax intercept payments are a non-recurring lump sum and are not counted as income. Federal tax intercept payments are not included in ND✓erify.

State and interstate state tax intercept payments are counted as income as these payments are applied to current support. State tax intercept payments are included in ND✓erify.

The date the payment is considered received is determined as follows:

- If disbursed via check, the date received is two working days after the date on the check.
- If direct deposited, the date received is the date the funds were deposited into the bank account as reflected on the bank statement.
- If deposited onto electronic payment card (EPC), the date received is two working days after the disbursed date in ND✓erify.

When an individual is in receipt of TANF, support assigned to the state is not counted as income.

When the TANF case closes, support that was retained must be anticipated as income.

### **Initial Application**

The amount of support income to the date of interview must be counted along with what the household anticipates to receive for the remainder of the application month. This may include using last month's income if that is what the household anticipates for the first month of the review period.

If a household comes in for the interview at the end of the initial month, all support received in the initial month must be counted.

When processing the second beginning month, the amount of support income used in the initial month must be counted unless the household anticipates a change. If the household reports a change, the change must be verified and used.

### **Reviews**

At review a full month's support income from the base month or month of review, if available, must be verified and used. If the household reports a change, the change must be verified and used.

### **Examples:**

1. A household is certified through January 31 and files an application for review on January 26. The household is interviewed on February 10 and receives one child support payment at the beginning of each month. The household received child support income on February 3. The February 3 child support income must be used for the first month of the review period (February).
2. A household is certified through June 30 and files an application for review on June 26 with no interview required. The household reports they receive two child support payments each month and received all of their June child support income. Since the full

month's child support from the review month is available, June child support income must be used.

### **Ongoing Cases**

For ongoing cases, if the worker receives an alert that child support was received in the base month, the most current month's (base month) income as reflected in NDverify must be used to determine the effect on the benefit. If the base month income results in an increase in benefits, the change must be acted on.

If the base month income results in a decrease in benefits, the change is not acted on until review.

If the worker receives an alert that no child support was received in the base month, the worker will need to check NDverify. If no child support was received (applying the three working day policy for child support received in the month prior to the base month) in the base month, no child support income is used to determine the effect on the benefit for the benefit month.

If a household reports they do not expect to continue to receive child support income, the worker must follow up on this reported change by sending the F419 requesting verification. If verification is provided, the change must be acted on to increase benefits. If verification is not provided, the previously verified amount of income continues to be used until review.

If a household reports a change in child support income that will result in an increase in benefits, does not provide verification of the change, and the change is not reflected in NDverify, the worker must send F419 and follow up on the reported change. If verification is provided, the change must be acted on to increase benefits. If verification is not provided, the previously verified amount of income continues to be used until review.

19. 430-05-50-20-10-10 – Tribal Payments and IIM Accounts. The income policy has been updated to align with other economic assistance programs. **This is a new policy.**

## **Tribal Payments and IIM Accounts 430-05-50-20-10-10**

Tribal Payments are generally made directly to tribal members or put into an Individual Indian Monies (IIM) Account.

### **Countable Unearned Income**

1. Tribal Distributions from tribal gaming or tribal enterprises distributed to enrolled tribal members (residing on or off a reservation).

Payments made to enrolled tribal members from the proceeds of gaming or gambling businesses are not per capita payments; therefore the income must be counted.

These payments are prorated over the period of time intended to cover with the exception of those noted. These payments include but are not limited to:

- Spirit Lake Social Impact Payments
- Sisseton-Wahpeton Oyate of the Lake Traverse Reservation Quarterly Casino Cash
- Three Affiliated Tribal Elderly Payments
- Three Affiliated Tribe's People's Fund Distributions
- General distributions from tribal revenue.

At application, review and when adding a new member to a case, payments received from the **Three Affiliated Tribes People's Fund** or **general distribution from tribal revenue** in the most recent FULL 12 month period are annualized and counted.

2. Amounts in excess of \$2,000 per year per person of monies derived from leases or other uses of individually owned trust or restricted lands are countable unearned income.

25 USC 1408

### **Excluded Income**

1. Indian per capita payments distributed from judgment awards and trust funds.

25 USC 1407

2. Amounts up to \$2,000 per year per person of monies derived from leases or other uses of individually owned trust or restricted lands are excluded.

25 USC 1408

3. Alaska Native Claims Settlement Act - payments received from a native corporation.

43 USC 1626 (b) (c)

4. Sisseton-Wahpeton Oyate of the Lake Traverse Reservation Food Distribution Program.

5. Monies derived from certain sub-marginal land held in trust for certain Indian tribes. The tribes that may benefit are:

- Bad River Band of the Lake Superior Tribe of Chippewa Indians of Wisconsin
- Blackfeet Tribe
- Cherokee Nation of Oklahoma
- Cheyenne River Sioux Tribe

- [Crow Creek Sioux Tribe](#)
- [Lower Brule Sioux Tribe](#)
- [Devils Lake Sioux Tribe](#)
- [Fort Belknap Indian Community](#)
- [Assiniboine and Sioux Tribes](#)
- [Lac Courte Oreilles Band of Lake Superior Chippewa Indians](#)
- [Keweenaw Bay Indian Community](#)
- [Minnesota Chippewa Tribe](#)
- [Navajo Tribe](#)
- [Oglala Sioux Tribe](#)
- [Rosebud Sioux Tribe](#)
- [Shoshone-Bannock Tribes](#)
- [Standing Rock Sioux Tribe](#)

#### 25 USC 459e

5. [Spirit Lake Nation incentives and payments for grades issued to individuals attending college.](#)
6. [Tribal High School Graduate/GED Payments - Payments from a federally recognized tribe to tribal members who graduate from high school or receive a GED are considered non-recurring lump sum.](#)

### **Determining Countable Income in Individual Indian Money (IIM) Accounts**

[Individual Indian Money \(IIM\) accounts are established for individual trust beneficiaries. These accounts can be created for a number of different reasons. The individual may:](#)

- Be the original allottee of a parcel of land.
- Is an heir to the original allottee of a parcel of Indian trust land and have inherited the land through probate.
- Have received trust asset through a gift deed.
- Have received per capita trust payments from the tribe, a tribal settlement, or a judgment award.

Most IIM accounts receive income from the use or sale of a trust asset, such as agricultural or grazing leases, coal production, timber harvesting, and oil and gas royalties. Funds can also come from a per capita payment, income earned on deposited funds, inheritance, VA, SSA or SSI. Some accounts receive proceeds from an estate account following a probate.

Federal law requires that up to \$2,000 per year of deposits derived from leases, trusts and restricted lands must be excluded.

At application, review or when adding a new household member, verification of the IIM account must be obtained for the most recent FULL 12 month period prior to the month of application.

IIM accounts can be verified in the following ways:

1. Client statement is acceptable when the account balance is less than \$2000 and the income is derived solely from leases, trusts and restricted lands.
2. When client statement is questionable, the balance is over \$2,000, or the account includes income from sources other than leases, trusts and restricted lands verification is required:
  - a) Request for verification of IIM account information using form SFN 413, Individual Indian Monies Account. This form will need to be notarized per requirements of the United States Department of the Interior, Office of the Special Trustee for American

Indians, Office of Trust Funds Management. These releases are valid for one (1) year and must be renewed annually.

- b) Individuals with IIM accounts receive statements from the Office of Trust Funds Management on a quarterly basis. A copy of this form may be requested from the recipient. However, the recipient will not receive the statement if the Office of Trust Funds Management does not have a current address.
- c) The individual may obtain a statement of their IIM account directly from the Office of Trust Funds Management through the Bureau of Indian Affairs (BIA) by requesting the information in person or by making a telephone request. In both cases, the individual will need to know their account number and provide at least two forms of identification.

Once verification is received the amount of countable income is calculated as follows:

1. Subtract any deposits that are not derived from leases, trusts or restricted lands. These sources of income would be considered separately based on policy.
2. The remaining deposits would be totaled for the twelve-month period.
3. Deduct the \$2000 disregard. (The result is the annualized countable income)
4. Divide the annualized countable income by 12 to determine the monthly countable unearned income.

### **New Source of Income**



When a new source of income is identified during the most recent FULL 12 month period the amount of countable income is calculated as follows:

1. Subtract any deposits that are not derived from leases, trusts or restricted lands. These sources of income would be considered separately based on policy.
2. Subtract the new source income from each month the income was received.
3. The remaining deposits would be totaled for the twelve-month period.
4. Total the new source income and divide by the number of months it was received. Multiple by 12 to determine a new annual amount of the new source income.
5. Add the annual amount of the new source income to the total of the remaining deposits.
6. Deduct the \$2000 disregard. (annualized countable income)
7. Divide the annualized countable income by 12 to determine the monthly countable unearned income.

25 USC 1408

20. 430-05-50-25-03 Income Exclusions – The list of policies below has been combined into this section. The sections listed below will be repealed. The income policy has been updated to align with other economic assistance programs. **This is a new policy and a new section.**

430-05-50-25-05 – Non-Monetary Benefits

430-05-50-25-10 – Excludable Vendor Payments

430-05-50-25-20 – Payments for the Care and Maintenance of a Non-Household Member  
430-05-50-25-25 – Earned Income of Students Under 18 Years of Age  
430-05-50-25-30 – Loans  
430-05-50-25-35 – Gifts  
430-05-50-25-40 – Irregular Income  
430-05-50-25-45 – Non-Recurring Lump-Sum Payments  
430-05-50-25-50 – Overpayments  
430-05-50-25-55 – Child Support Payments  
430-05-50-25-60 – Federal Drought Assistance Payments  
430-05-50-25-65 – Plan for Achieving Self-Support (PASS)  
430-05-50-30 – Income Excluded by Federal Law

### **430-05-50-25-03 Income Exclusions**

The following types of income are excluded:

1. Non-recurring lump-sum unearned payments are those payments that cannot be reasonably anticipated to be received again. These payments include, but not limited to:
  - Retroactive Social Security payments (whether it is paid in a lump sum or installments)
  - Retroactive SSI (whether it is paid in a lump sum or installments)
  - Retroactive adjustment payments from SSA due to changes in the individual's earning record
  - Retroactive unemployment benefits
  - Retroactive TANF
  - Retroactive railroad retirement benefits
  - Retroactive Veteran's benefits
  - Retroactive Workforce Safety and Insurance
  - Inheritance
  - Gambling winnings
  - Child support intercepted from Federal taxes

- Insurance settlements
- Mineral leasing bonuses and up-front payments
- Contests
- Employees retirement funds taken as a lump sum
- Severance Pay
- Income received from a trust - Submit SFN 1947 - Request for Trust Review, along with complete copies of all trust agreements to the Legal Advisory Unit of the Department of Human Services for review.

All non-recurring lump sum payments are counted as assets in the month they are received, unless specifically excluded by Federal Law.

2. Earned income received as a non-recurring lump-sum payment including, but not limited to:

- Bonuses
- Military re-enlistment bonuses

3. Tribal Payments and Individual Indian Monies (IIM) Accounts

4. Reimbursements to a household member or payments to third-party for past or future expenses, including but not limited to:

- Housing Assistance Program (HAP) and other subsidized housing authorities
- Housing and Urban Development (HUD)
- Utility reimbursements made by the Department of Housing and Urban Development (HUD), Rural Housing Service, and Tribal Utility Payments including Tribal LIHEAP.
- General Assistance reimbursements - BIA or CSSB
- Supportive Services and Special Items of Need paid by the TANF Program (TANF, TANF JOBS, Diversion, Kinship Care, Transition, Post-TANF and Crossroads)

- Medical
- Child Care
- Employment and training
- Family Subsidy payments.
- Adoption Assistance Subsidies
- Payments directed by a divorce decree to a third party

Per Diem for food is considered a normal living expense and cannot be excluded.

5. Child support or spousal support of a TANF recipient assigned to the Child Support Division.
6. Children's earned income.
7. In-kind income that is paid or given in goods, commodities, credits, including in-store credits or services instead of money when the individual does not have the option to receive a wage or monetary payment.
8. Dividends and Interest derived from savings and checking accounts and investments.

**EXCEPTION:**

**The interest portion of payments from investments, annuities, pensions, and other retirement plans will be considered countable income when withdrawn on a regular basis.**

9. Money deposited into a checking or savings account when the client's name appears on a signature card, but does not have an ownership interest in the account.

10. Cooperative Distributions (patronage dividends)

**EXCEPTION:**

**Any portion of cooperative distributions that is income from the sale of goods is countable income.**

11. Withdrawals from medical savings, health reimbursements and flexible spending accounts.

12. Foster Care Payments, including continuing education and job-training through PATH Inc.

**EXCEPTION:**

**Foster care payments when the foster child is included as a household member are counted.**

13. Subsidized Guardianship Payments.

**EXCEPTION:**

**Subsidized Guardianship payments when the child is included as a household member.**

14. Money received from a benefit or fund raiser and disbursed by a third party for a household expense.

**EXCEPTION:**

**If the disbursement is given or made available to a household member the money is counted.**

15. When a member of the household serves as a representative payee for Federal benefits (SSI, Social Security, Veterans Benefit) for an individual who is not a member of the household, the income is not considered available to the household.

16. All income, allowances, and bonuses received as a result of participation in the Job Corps Program.
17. Refunds of a deposit from rental units, apartments, storage units, utility companies, child care providers, etc.
18. Homestead Tax Credit refunds.
19. Property Tax relief.
20. Loans that require repayment. A loan must be verified with a written agreement between the parties executed at the time the loan was agreed upon.
21. When monies are received and used by a household for the care and maintenance of a non-household member, the portion of the payment that is identified as belonging to the non-household member is excluded.

If the non-household member's portion cannot be identified, the payment is divided equally among the individuals for whom the payment is intended and the exclusion is applied to either the portion or the amount actually used for the non-household member's care, whichever is less.

**Example:**

A parent is receiving court ordered child support of \$350 per month for two children (prorated to \$175 per child). The parent reports that one of the children went to live with the grandparents. The parent sends \$175 of the monthly child support check to the grandparents for the care of the child. Only \$175 would be counted as unearned income to the parent and remaining child. The \$175 sent to the grandparents is not counted as income to the parent.

If the parent does not send any of the \$350 monthly child support to the grandparents, the \$350 is counted as unearned income for the parent and remaining child. If the parent sends \$200, only the prorated \$175 would be excluded.

22. Trade Adjustment Assistance (TAA) - The following payments made to individuals under the Trade Adjustment Assistance (TAA) Extension Act of 2011:

- **Training Readjustment Allowances** - A wage subsidy available in the form of weekly cash payments to workers who are enrolled in a full-time training course;
- **Job Search Allowance** - A cash allowance provided to workers who cannot find an available job within the commuting area, which is used to cover transportation costs, etc.
- **Relocation Assistance** - A cash allowance provided to workers who have to accept a job outside of their commuting area and relocate.
- **Health Coverage Tax Credit** - A tax credit offered to TAA participants to help pay for the health insurance premiums of the worker and their family.

23. Earned or unearned income set aside for the fulfillment of a Plan for Achieving Self-Support (PASS) under Title XVI of the Social Security Act (SSI).

24. Monetary gifts received by household members for special occasions such as birthdays, graduation, holidays, etc.

25. Infrequent or irregular income, both earned and unearned, that cannot be reasonably anticipated.
26. Gift Cards and Gift Certificates.
27. National School Lunch Act provides assistance to individual through the following programs:
- School Lunch Program  
Summer Food Service Program for Children  
Commodity Distribution Program  
Child and Adult Care Food Program (reimbursements to child adult care providers such as Heartland)
- (42 USC 1760 (e))
28. Child Nutrition Act provides assistance to children through the following programs:
- Special Milk Program  
School Breakfast Program  
Special Supplemental Food Program for Women, Infants, and Children (WIC)
- (42 USC 1780 (b))
29. Uniform Relocation Assistance and Real Property Acquisition Policy Act establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms.
- (42 USC 4636)
30. All payments to volunteers under the National and Community Service Act which includes payments from the following programs:



- Americorps (Americorps State and National
- Americorps VISTA
- Americorps NCCC (National Civilian Community Corps))
- Retired Senior Volunteer Program (RSVP)
- Foster Grandparents Program
- Senior Companion Program

**EXCEPTION:**

**Americorp VISTA income is counted if they were receiving SNAP at time they took their oath to join Americorp VISTA.**

42 USC 5044 (f)  
42 USC 5058

31. Disaster Relief Act - Federal major disaster and emergency assistance and comparable disaster assistance provided by States, local governments, and disaster assistance organizations.

This includes payments such as Federal Emergency Management Assistance (FEMA) payments, Emergency Unemployment Benefits, Red Cross and Salvation Army.

(42 USC 5155 (d))

32. Allowances, earnings, or payments received under WIOA or Youthbuild.

**EXCEPTION:**

**Earnings of individuals who are 19 or over or under 19 and not under parental control are counted as earned income.**

33. Low-Income Home Energy Assistance Act - LIHEAP payments paid directly or indirectly on behalf of the LIHEAP household.

42 USC 8624 (f)

34. Supplemental Nutrition Assistance Program (SNAP) – Benefits received from SNAP are excluded.

7 USC 2017 (b)

35. Child Care and Development Block Grant Act - Child Care Assistance Program payments paid directly or indirectly on behalf of the Child Care Assistance Unit.

Payments received by providers are counted as self-employment income.

(42 USC 9858q)

36. Federal funded Student Financial Assistance - All educational loans, grants, scholarships and stipends that **do not require work participation** and wages earned under a work study program. State and local funded Student Financial Assistance is also excluded by State Policy.

### **EXCEPTION**

**Educational-related income from internships, or stipends, teaching assistantships, or fellowships which require work participation to receive the income is counted as earned income.**

Title IV aid includes:

- Pell or BEOG grants.
- Supplemental Education Opportunity Grants (SEOG).
- Stafford Loan (formerly Guaranteed Student Loan).
- PLUS/DEAL loans.

- Perkins Loans (formerly NDSL).
- Federal work study income.
- Bureau of Indian Affairs Grant Program.
- High School Equivalency Program (HEP).
- College Assistance Migrant Program (CAMP).
- Upward Bound (Trio Grants).
- National Early Intervention Scholarship and Partnership Program.
- Stipends funded until Title IV.
- Indian Vocational Education Program (IVEP)

Aid that is federally funded but not under Title IV includes:

- Workforce Investment Opportunity Act (WIOA).
- Veteran's benefits or other benefits through the United States Armed Services.
- Reserve Education Assistance Program (REAP)
- Recruitment/Retention of American Indians Into Nursing (RAIN)
- Education funds received through the John H. Chafee Foster Care Independence Program.

Aid that is not federally funded includes:

- SELF loan program.
- State work study income.

- Division of Rehabilitation Services.

20 USC 1087uu

37. Reduction in basic pay for veteran's educational assistance - Any amount by which the basic pay of an active duty or selected reserve member is reduced for educational assistance.

The funds are a pre-tax deduction from the service member's gross pay and are identified as a Montgomery GI Bill (MGIB) deduction.

38 USC 3011 (b)(3) and 38 USC 3012 (c)(3)

38. The Older Americans Act provides assistance to individuals through the following programs:

- Experience Works (Green Thumb)
- National Council on Aging
- National Council of Senior Citizens
- American Association of Retired Persons
- U. S. Forest Service
- National Association for Spanish Speaking Elderly
- National Urban League
- National Council on Black Aging

39. Payments to certain United States citizens of Japanese ancestry, resident Japanese aliens, and eligible Aleuts made under the Restitution for World War II Internment of Japanese-Americans and Aleuts.

50 USC appendix 1989b-4(f-2)

50 USC appendix 1989c-5(d-2)

40. Radiation Exposure Compensation Act

42 USC 2210 (h) (2)

41. State or Federal tax refunds and Earned Income Tax Credits (EITC)

26 USC 6409

42. Crime Act - compensation paid through a crime victim's compensation program.

(42 USC 10602 (c))

43. Individual Development Accounts - funds (including interest accruing) in an individual development account.

(42 USC 604 (h) (4) & 42 USC 604nt Section 415)

44. Vietnam Veterans - the following payment made to the children of Vietnam veterans:

- Children of Vietnam Veterans Born with Spina Bifida
- Children of Women Vietnam Veterans Born with Certain Birth Defects
- Children of Certain Korea Service Veterans Born with Spina Bifida

(38 USC 1833 (c))

45. P.L. 108-447 - Combat Pay

Additional monies received by a household as the result of the deployment of a service member to a designated combat zone.

To determine the amount of service member's income that will be disregarded, compare the amount received before deployment and the amount received after the deployment. The difference between the two amounts is the amount that will be disregarded.

Combat Zone Tax Exclusion Areas - Executive Order 12744 (effective January 17, 1991)

Arabian Sea Portion that lies north of 10 degrees North Latitude and West of 68 degrees East Longitude

- Bahrain
- Gulf of Aden
- Gulf of Oman
- Iraq
- Kuwait
- Persian Gulf
- Qatar
- Oman
- Red Sea
- Saudi Arabia
- United Arab Emirates

Direct Support of EO 12744

- Turkey effective January 1, 2003 - December 31, 2005
- Israel effective January 1 - July 31, 2003
- Eastern Med effective March 19 - July 31, 2003
- Jordan effective March 19, 2003
- Egypt effective March 19 - April 20, 2003

Executive Order 13239 (effective September 19, 2001)

- Afghanistan

Direct Support of EO 13239

- Pakistan effective September 19, 2001
- Tajikistan effective September 19, 2001
- Jordan effective September 19, 2001
- Incirlik AFB effective September 21, 2001 - December 31, 2005
- Kyrgyzstan effective October 1, 2001
- Uzbekistan effective October 1, 2001

- Philippines (only troops w/orders that reference OEF) effective January 9, 2002
- Yemen effective April 10, 2002
- Djibouti effective July 1, 2002
- Somalia effective January 1, 2004

Executive Order 13119 (effective March 24, 1999)

Public Law 105-21 Establishing Kosovo as Qualified Hazardous Duty Area (March 24, 1999)

- The Federal Republic of Yugoslavia (Serbia/Montenegro)
- Albania
- The Adriatic Sea
- The Ionian Seas north of the 39th parallel

Public Law 104-117 Establishing a Qualified Hazardous Duty Area (November 1995)

- Bosnia
- Herzegovina
- Croatia
- Macedonia